

## Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

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INFO CINCPAC HONOLULU HAWAII

COMUSJAPAN YOKOTA AB JAPAN

C O N F I D E N T I A L TOKYO 12976

E. O. 11652: GDS

TAGS: PINT, JA

SUBJ: LOCKHEED DURING THE LEADERSHIP STRUGGLE

REF: TOKYO 12711

SUMMARY: PRESS REPORTS EX-LOCKHEED CHIEF KOTCHIAN DUE FOR MORE TESTIMONY, POSSIBLY HARMFUL TO LDP SEC GEN (AND MIKI ALLY) NAKASONE, IN LOS ANGELES COURT NEXT WEEK. OPPOSITION MOVE TO SUBPOENA TANAKA AND NAKASONE FOR DIET TESTIMONY FAILED. AUGUST 26 PRESS PUBLISHED NAMES OF FOUR ALLEGEDLY GUILTY BUT UNINDICTABLE LDP LOCKHEED BRIBE-TAKERS, BUT STORIES HAVE BEEN DENIED BY PROSECUTORS WHO CURIOUSLY ENOUGH APPARENTLY ORIGINATED THEM. IN ADDITION TO DAMAGING IMAGES OF MAIN ANTI-MIKI LDP FACTIONS, REPORTS POSE ISSUE OF HOW TO HANDLE THESE FOUR AND OTHER OFFICIALS WHO MAY BE IMPLICATED IN LOCKHEED BUT WHO ARE UNINDICTABLE BECAUSE OF STATUE OF LIMITATIONS OR OTHER LEGALITIES. END SUMMARY.

1. AUGUST 25 PRESS REPORTED ANNOUNCEMENT BY FEDERAL DISTRICT COURT IN LOS ANGELES THAT FORMER LOCKHEED CHIEF EXECUTIVE KOTCHIAN WOULD APPEAR AUGUST 30 AND 31 FOR FURTHER TESTIMONY UNDER JAPANESE IMMUNITY. ASAHI SHIMBUN HAS BEEN SERIALIZING "KOTCHIAN  
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TELLS ALL" INTERVIEW, PARTS OF WHICH APPARENTLY CONTRADICT HIS

SECRET LOS ANGELES TESTIMONY IN JULY, PARTICULARLY REGARDING KODAMA CONTACT WITH THEN INTERNATIONAL TRADE AND INDUSTRY MINISTER NAKASONE IN 1972. TWO TOKYO PROSECUTORS PLAN TO ATTEND TESTIMONY.

2. ON AUGUST 26, MEMBERS OF FOUR OPPOSITION PARTIES IN DIET LOWER HOUSE LOCKHEED INVESTIGATION COMMITTEE INTRODUCED JOINTLY-SPONSORED MOTION FOR SUBPOENA OF FORMER PRIME MINISTER TANAKA AND LDP MEMBER NAKASONE FOR TESTIMONY ON PAYOFFS. LDP MAJORITY DEFEATED MEASURE BUT OPPOSITION IS EXPECTED TO CONTINUE PRESSURE FOR TESTIMONY.

3. ALL MEDIA AUGUST 26 RAN STORY THAT PROSECUTORS HAD CALLED FOUR "UNINDICTABLE" LDP DIETMEN IN FOR QUESTIONING ON TAKING LOCKHEED BRIBES. DIETMEN AND THEIR FACTION SPOKESMEN WERE QUICK TO ISSUE ANGRY DENIALS AND, NIGHT OF 26TH, CHIEF PUBLIC PROSECUTOR TAKASE HASTILY SUMMONED PRESS CONFERENCE TO DENY STORY ENTIRELY. HE SAID IT HAD APPARENTLY BEEN CAUSED BY "HINTS" FROM PROSECUTORS WHICH HAD BEEN "INAPPROPRIATE." ON AUGUST 27, JUSTICE MINISTER INABA WAS QUESTIONED IN DIET BY OPPOSITION ON PROSECUTORS' ACTIONS AND REPLIED HE HAD CAUTIONED TAKASE ABOUT HIS "WORDS AND ACTIONS."

4. THOSE NAMED IN STORY WERE: HIDEO SASAKI (OHIRA FACTION), TRANSPORT MINISTER IN 1972; SUSUMU NIKAIDO (TANAKA FACTION DE FACTO LEADER), CHIEF CABINET SECRETARY IN TANAKA CABINET; MUTSUKI KATO (FUKUDA FACTION), PARLIAMENTARY VICE MINISTER OF TRANSPORT IN 1972; AND KAZUOMI FUKUNAGA (FUKUDA FACTION), CHAIRMAN OF LDP SPECIAL AVIATION POLICY COMMITTEE FROM 1958 TO PRESENT. ACCORDING TO WHAT STORIES TERMED "RELIABLE SOURCES," PROSECUTORS HAD EVIDENCE THESE FOUR TOOK AMOUNTS RANGING FROM \$6,700 TO \$17,000 IN OCTOBER 1972 FROM ALL NIPPON AIRWAYS (ANA) IN EXCHANGE FOR FACILITATING ANA PURCHASE OF TRI-STARS FROM LOCKHEED. STORIES NOTED THAT PROSECUTORS CONSIDERED THESE FOUR GUILTY BUT UNINDICTABLE EITHER BECAUSE OF STATUTE OF LIMITATIONS OR BECAUSE PAYMENTS WERE MASKED AS LEGAL CAMPAIGN CONTRIBUTIONS.

5. SINCE BEGINNING OF LOCKHEED AFFAIR SEVEN MONTHS AGO, LAW ENFORCEMENT AND POLITICAL CIRCLES HAVE REALIZED PROBE WOULD PROBABLY PRODUCE A NUMBER OF UNINDICTABLE "GRAY NAMES." IN AUGUST

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UST 26 LOWER HOUSE SPECIAL LOCKHEED INVESTIGATION COMMITTEE SESSION, BOTH JUSTICE MINISTER INABA AND CRIMINAL AFFAIRS DIVISION CHIEF YASUHARA SAID THEY HAD NO INFORMATION ON FOUR SUPPOSED GRAY NAMES AND YASUHARA AGAIN SAID IT WAS UP TO DIET, NOT MINISTRY, TO DECIDE WHAT TO DO WITH THE "GRAYS."

6 COMMENT. TANAKA FACTION MAY STILL HAVE SOME CLOUT. WE NOTE THAT FACTION CHAIRMAN NISHIMURA MET WITH CHIEF PROSECUTOR TAKASE

BEFORE THE LATTER MADE HIS DENIAL OF WHAT APPEARED TO HAVE BEEN A CAREFULLY CONSTRUCTED LEAK BY PROSECUTORS. (THE ONLY OTHER HASTILY-CALLED NIGHTTIME PRESS CONFERENCE DURING JAPAN'S LOCKHEED AFFAIR WAS ON FEBRUARY 9, WHEN THEN DEFENSE AGENCY DEPUTY SEC GEN KUBO COMPLETELY RETRACTED AS "INAPPROPRIATE" A STATEMENT IMPLICATING TWO TANAKA FACTION MEN IN A SUSPICIOUSLY SUDDEN DECISION FOR JAPAN TO BUY FOREIGN, IE. LOCKHEED ASW PLANES.)

7 DESPITE DENIALS, APPEARANCE OF FOUR GRAY NAMES DOES SOME DAMAGE TO MAIN ANTI-MIKI LDP FACTIONS. NIKAI DO'S INVOLVEMENT, IN PARTICULAR, INCREASES CHANCES OF A POST-ELECTION BREAKUP OF TANAKA FACTION. BEYOND THIS, REPORTS SQUARELY POSE PROBLEM, UNTIL NOW THEORETICAL, OF HOW TO TREAT THESE AND OTHER UNINDICATED WHO WILL PROBABLY TURN UP LATER. PRIME MIKI IS ON RECORD AS FAVORING RELEASE OF GRAY NAMES TO AVOID "TRIAL BY RUMOR." MOST OF LDP, HOWEVER, FEELS NON-PROSECUTION SHOULD MEAN CASE IS CLOSED. AS INVESTIGATION INTO KODAMA'S ROLE PROCEEDS, ISSUE MAY ALSO SERVE FURTHER TO COMPLICATE ONGOING LDP LEADERSHIP STRUGGLE.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CORRUPTION, BRIBERY, PRESS COMMENTS, ARRESTS, POLITICAL LEADERS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 AUG 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** BoyleJA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976TOKYO12976  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 76 TOKYO 12711  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** BoyleJA  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 28 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <28 MAY 2004 by ifshinsr>; APPROVED <23 SEP 2004 by BoyleJA>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** LOCKHEED DURING THE LEADERSHIP STRUGGLE  
**TAGS:** PINT, PINS, JA  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006